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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Keiichi Nakajima

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EXAMINER

KESACK, DANIEL

ART UNIT

PAPER NUMBER

3691

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
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3 MONTHS

02/08/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/630,557

Applicant(s)

NAKAJIMA, KEIICHI

Examiner

Dan Kesack

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 November 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 2,11-13 and 54-85 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2,11-13 and 54-85 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>12/26/06; 11/22/06</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 2, 11-13, 54-85 are currently pending.

Continued Examination Under 37 CFR 1.114

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on November 22, 2006 has been entered.

Response to Amendment

3. The affidavit filed on November 22, 2006 under 37 CFR 1.131 is sufficient to overcome the David reference.

Response to Arguments

4. Applicant's arguments with respect to claims 2, 11-13, 54-85 have been considered but are moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

6. Claims 54-57, 59, 68, 69, 71-74, 82, 84, and 85 are rejected under 35 U.S.C. 102(a) as being anticipated by Franklin et al., U.S. Patent No. 5,883,810.

Claims 54, 71, 84, Franklin discloses an electronic settlement system comprising a paying terminal for purchasing an item by a user, the terminal including an input unit for inputting authentication information of the user and connecting to the communication network (figure 1, #28), a billing terminal for charging the user of the paying terminal a purchase amount, the billing terminal being connected to the communication network (figure 5, #30), a paying terminal database for storing authentication information of a

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user (figure 3, #64), a mediating server which performs the settlement of the transaction by mediating a communication between the paying terminal and the billing terminal (column 4 lines 24-35) when receiving a transaction ID information from the billing terminal (column 5 lines 4-22), the server setting an authentication method to be processed between the paying terminal and the billing terminal that have been determined to be participating in the same purchase, wherein the mediating server authenticates the user by using authentication information stored in the paying terminal base (column 10 line 48 – column 11 line 31).

Claims 55, 72, Franklin teaches the mediating server receives a request signal from the paying terminal, transmitting the transaction ID information to the paying terminal which sent the request signal, and when receiving the transaction ID from the billing terminal, the server mediates the communication with the billing terminal (column 8 line 43 – column 9 line 4).

Claims 56, 57, 69, 73, 82, 85, Franklin teaches a billing terminal database for storing an authentication method demanded by a clerk of the billing terminal (column 10 lines 48-60), wherein the paying terminal database further stores an authentication method demanded by the user in advance (column 6 lines 33-49), and the mediating server sets an agreeable authentication method in accordance with the authentication method stored in the paying terminal database and the authentication method stored in the billing terminal database (column 7 lines 6-38), and wherein the mediating server

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stores the authentication methods in relation to communicating with both the billing terminal, and the paying terminal, and databases included therein.

Claims 59, 74, Franklin teaches the use of a password (column 8 lines 43-56).

Claim 68, Franklin teaches well known encryption and authorization techniques in which keys must match in order properly authorize a transaction. It is inherent that if the authentication fails, the transaction is not carried out and the user is notified of the transaction failure.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.

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4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
9. Claims 58, 60, 67, 70, 76, and 83 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin, as applied above.

Claim 58, Franklin fails to teach the consolidation of data. Official Notice is taken that consolidation of functionality, storage in this case, was old and well known at the time of the invention. For example, centralization of database information was commonly performed to avoid duplication of equipment and staff. It would have been obvious to one of ordinary skill in that art at the time of the invention to modify Franklin with such a consolidation of databases for purposes of efficiency and security.

Claims 60, 70, 76, 83, it is obvious that the type of authentication would depend on the payment method chosen. For example, a debit card would require authentication such as a PIN, while a credit card would require authentication such as the card expiration date. Different credit cards such as those of Franklin would each require a different expiration date for authentication.

Claim 67, Franklin fails to teach selection of more accurate authentication. Official Notice is taken that such a selection is old and well known in transaction security. For example, less accurate authentication would increase risk of loss. It would

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have been obvious to one of ordinary skill in the art at the time of the invention to modify Franklin to select more accurate authentication to reduce risk of loss through fraud.

10. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable Franklin, and further in view of Davis et al., U.S. Patent No. 6,038,549.

Franklin teaches the billing terminal connects to said mediating server via a commercial telephone line (column 1 lines 26-37), however fails to teach the paying terminal connects to the mediating terminal via radio telephone communication.

Davis discloses a messaging system controller for completing financial transactions using authentication methods between a payer terminal, a billing terminal, and a mediating terminal wherein the paying terminal connects to the mediating server via a radio telephone communication (column 1 lines 13-61). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Franklin to include radio telephone communications because storing the user information on a wireless, portable device, and communicating it to the mediating server increases the convenience of such a system.

11. Claims 11-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin, in view of Takayama, U.S. Patent No. 6,332,133.

Claims 11-13, Franklin does not specifically disclose a purchase history. Takayama discloses a purchase history (column 71, lines 26-58). It would have been

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obvious to one of ordinary skill in that art at the time of the invention to modify David to include the purchase history of Takayama because this would keep parties to transactions apprised of buyers' purchasing activities.

12. Claims 61-63, 75 and 77-78 are rejected under 35 U.S.C. 103(a) as being unpatentable Franklin, and further in view of Electronic Payment systems, hereinafter, O'Mahony.

Claims 61-62, 75, 77, Franklin discloses the invention substantially as claimed. See the discussion of Claim 54. Franklin does not specifically disclose specification of authentication methods based on price. O'Mahony discloses this limitation at page 63, bracketed text. It would have been obvious to one of ordinary skill in that art at the time of the invention to modify Franklin to include such stepped authentication to most effectively require authentication for relatively higher value transactions.

Claims 63, 78, it would have been obvious to allow the authentication server/processing unit to act as an arbiter when no other entity specifies authentication, so as to provide at least a minimal level of authentication.

13. Claims 64-66, and 79-81 are rejected under 35 U.S.C. 103(a) as being unpatentable Franklin, and further in view of Veil et al., U.S. Patent No. 6,092,202.

Franklin fails to teach biometric authentication.

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Veil teaches a system and method for secure transactions over a network using biometric authentication stored on the paying device (abstract). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Franklin to include biometric authentication because of the increased security provided by such a method, especially because Franklin is concerned with deterring transaction fraud.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dan Kesack whose telephone number is 571-272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



HANI M. KAZIMI
PRIMARY EXAMINER